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DE RUEHPU #1541 3091713
ZNR UUUUU ZZH
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FM AMEMBASSY PORT AU PRINCE
TO RUEHC/SECSTATE WASHDC PRIORITY 9090
INFO RUEHZH/HAITI COLLECTIVE PRIORITY
RUEHBR/AMEMBASSY BRASILIA PRIORITY 2107
RUEHSA/AMEMBASSY PRETORIA PRIORITY 1869
RUEHQU/AMCONSUL QUEBEC PRIORITY 1292

UNCLAS PORT AU PRINCE 001541

SIPDIS

STATE FOR WHA/EX AND WHA/CAR
S/CRS
SOUTHCOM ALSO FOR POLAD
STATE PASS AID FOR LAC/CAR
INR/IAA
WHA/EX PLEASE PASS USOAS

E.O. 12958: N/A

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SUBJECT: HAITI MONTHLY: OCTOBER, 2008

11. (U) Summary: This is a monthly report on various topics of interest which do not merit a full reporting cable. End summary.

POLITICAL HIGHLIGHTS

12. (U) HOSPITAL STRIKE. Resident physicians in the two major hospitals in the capital and a hospital in Cap Haitien have been on strike for nearly three weeks demanding back pay and better working conditions. Press reports are shedding light on abominable conditions for patients and doctors in hospitals.

13. (U) UPTICK IN KIDNAPPINGS. More cases are being reported this month. Judicial Police head Franz Thermilus warned families of victims not to negotiate with kidnappers without reporting the crime. Otherwise, police would consider them suspects in the case.

14. (U) BORDER SECURITY PLAN IN THE WORKS. Secretary of State for Economy and Finance Sylvain Lafailaise convened a meeting on October 30 to discuss a border security initiative that the National Council for Coordination and Management of the Border (CNCGF) will submit to President Preval at the end of November. (Note: CNCGF is a newly formed organization that is not yet legal. End note.) The project, funded by the Canadian government, will integrate the management of Haiti's borders, bolster national security, and heighten the government's anti-drug trafficking efforts. Participating GOH agencies include National Customs Authority, National Airport Authority, Maritime and Navigation Service, Haitian National Police, Ministry of Tourism, Planning and External Coordination, and the office of the Secretary of State for Public Security.

ECONOMIC HIGHLIGHTS

15. (U) SLIGHT REDUCTION OF THE FUEL PUMP PRICES. Following the downward trend of the world oil prices, under rising local discontent, fuel pump prices were reduced on October 21st. The Haitian Government announced an eleven percent decrease on 91 octane gasoline from 5.82 USD to 5.20 USD; a six percent decrease on diesel from 4.28 USD to 3.96 USD; and a 10 percent decrease on kerosene from 4.20 USD to 3.73 USD. There was no price decrease on 95 octane gasoline which stayed at 6.18 USD.

16. (U) INFLATION. Inflation figures for September for the Haitian National Statistical Institute show a 2.6 percent

rise in the Consumer Price Index for the month, bringing the past 12 month inflation rate to 19.8 percent. Food/beverage inflation for the past 12 months is 27 percent (20 percent on local products, 37 percent on imported food/beverages), while energy prices (mostly petroleum products) are up 38 percent for the past year and public transport costs up 36 percent for the same period.

17. (U) EVOLUTION OF MONEY SUPPLY. In August, the broad money supply reached 2.3 billion USD, increased by 21.5 percent over August 2007 and way above the 10.6 percent increase targeted by the IMF. The main factors causing the money supply increase were: the PetroCaribe funds (in April 2008) which increased the amount of U.S. deposits; the Central Bank's interventions in order to stabilize the gourde exchange rate; and the flows of external grants.
SANDERSON